

**BUDGET & FINANCE COMMITTEE  
OF THE  
SUFFOLK COUNTY LEGISLATURE**

**Minutes**

A regular meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on **August 16, 2005**.

**MEMBERS PRESENT:**

Leg. Michael Caracciolo, Chairman

Leg. Angie Carpenter, Vice•Chairman

Leg. Daniel P. Losquadro

Leg. Cameron Alden

Leg. William J. Lindsay

Leg. Peter O'Leary

Leg. Ricardo Montano

**ALSO IN ATTENDANCE:**

Mea Knapp, Counsel to the Legislature

Ian Barry, Assistant Counsel to the Legislature

Ilona Julius, Deputy Clerk

Gail Vizzini, Director of Budget Review Office

Lance Reinheimer, Assistant Director of Budget Review Office

Robert Lipp, Budget Review Office

Marie Ammirati, Aide to Leg. O'Leary

Carl Yellon, Aide to Leg. Kennedy

Doug Sutherland, Aide to Leg. Carpenter

Ben Zwirn, Assistant Deputy County Executive

Allen Kovesdy, Budget Office, County Executive

Jeanine Dillon, County Executive's Office

Jacqueline Caputi, Assistant County Attorney

Frank Tassone, Aide to Majority Leader

Linda Burkhardt, Chief of Staff, PO's Office

Lynne Bizzarro, Assistant County Attorney

Cheryl Felice, AME

Michelle Stark, Economic Development/Workforce Housing

Marie O'Donnell, Suffolk Community Council

Kris LaGrange, LI Federation of Labor, AFL•CIO

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

**(THE MEETING COMMENCED AT 9:55 AM)**

**CHAIRMAN CARACCILO:**

Will everyone please rise for the Pledge of Allegiance to be led by Legislator Losquadro.

**(SALUTATION)**

**CHAIRMAN CARACCILO:**

Thank you and please be seated. If you would like to address the Committee, kindly fill out the yellow public portion card which is available through the Clerk's office right here.

I'll begin with the public portion. The first speaker is Marie O'Donnell. Thank you.

**MS. O'DONNELL:**

Good morning. My name is Marie O'Donnell. And I am here representing Judy Pannullo,

Executive Director of Suffolk Community Council who is on vacation this week. She wanted me to address you on this issue. And it is of great concern to the Council and those we serve. I am speaking to you today to respectfully request the extension of the temporary 1% sales tax which is due to expire on September 1st. This 1% tax generates between 265 and 270 million to the County. If this tax is not extended, I cannot imagine where the money would come from. And substituting the lost revenue by raising property taxes would be most difficult indeed.

Clearly cuts would have to be made in all forms of government; but huge cuts in Social Services would be experienced by most vulnerable of our population. My understanding is that if this extension does not occur before September 1st and the Legislature were to reinstate it later on, the County would lose a third of that money since it is linked to tax quarters. That would end up costing the County approximately \$88 million.

The Suffolk Community Council is deeply apprehensive of where the funds would be made up with that amount of loss. Therefore, the Council sincerely hopes that the Budget and Finance Committee will move forward quickly the legislation necessary to extend this essential 1% sales tax.

Thank you for your attention to this crucial matter.

**CHAIRMAN CARACCILOLO:**

Ma'am, I'd like to bring to your attention that the requirement of sending or approving this legislation 90 days in advance actually is not really a requirement. We have in the past approved extension of sales tax, bills like this 30 days. So, obviously someone that you spoke to or the Council spoke to and provided you with that information did not provide you with accurate information. So, I'd like to share that with you.

Also, I would encourage you to stay and listen to the presentation you'll hear shortly about the financial state of Suffolk County. And you and everyone else will learn that Suffolk County is in very, very good financial condition. Does that imply that we could waive the extension of the sales tax in its entirety? I don't think anyone with a reasonable mind would think that's possible. But certainly there are some of us who think a portion of that tax and some tax relief

to the residents of Suffolk County in order much as we did back in 1995 when the County Legislature repealed one cent •• a full one penny of sales tax revenues. And later on when we imposed against the wishes of the Executive, at that time Bob Gaffney, the exemption on clothing up to \$110 and footwear.

So, I think what you and everyone else needs to understand is that the Executive proposes budgets and the Legislature is the branch of government that disposes. We've always done that responsibly. And that's why today we have a quarter of a billion dollars in County surplus funds. So, I think it would be very enlightening if you stayed and listened to this presentation.

Also, stay and listen to a report that I requested at our last meeting that the Budget Review Office is going to share with us today about the number of vacant positions in county government and what the significance of that is. It results in huge what we refer to as turnover savings. Estimated going into next year to be about \$17 million just in the General Fund. So, I think when those of you in the contract agency community appear before committees, it would behoove you perhaps to speak to other members of county government and not just the Executive Branch. Because I've been here 14 years. And for 14 years every administration will crank up the contract agencies. And I suspect my colleagues and I will see that again come October when we get into the budget hearings. I fully expect it. It's something that, I think, you should do; but you need to do it being better informed.

So, I appreciate your testimony and assure you that this Legislature has never acted irresponsibly when it came to county revenues. And I don't believe going forward we will either. Thank you.

**MS. O'DONNELL:**

Thank you.

**CHAIRMAN CARACCILO:**

Okay. Next speaker is Michelle Stark.

**MS. STARK:**

Hi. Good morning. I'm Michelle Stark from the Department of Economic Development and Workforce Housing. I represent the department on the Board of the Long Island Convention and Visitors Bureau. And Commissioner Morgo has asked me to read a statement regarding

Introductory Resolution number 1791 adopting a local law to extend hotel and motel tax for Suffolk County and enhance collection of hotel and motel tax revenue.

Of course I support the adoption of a local law to extend hotel and motel tax for Suffolk County. This tax is proven to stimulate economic activity and job creation by promoting tourism and convention business and enhancing cultural programs.

Further I support applying a larger portion of the hotel and motel tax toward the development, implementation and promotion of cultural tourism products and programs as this is the fastest growing sector in the tourism industry. And Suffolk County is uniquely situated to capitalize on this trend.

Finally I support the amendments to both section 327•9 and section 327•10, which extend the hotel and motel tax to 2010 and provide the Suffolk County Treasurer with new enforcement powers to ensure that the county is receiving all hotel and motel taxes due and payable.

**CHAIRMAN CARACCILOLO:**

Thank you, Michelle. Next speaker is Cheryl Felice. Before you begin, Cheryl, let me just say thank you.

**MS. FELICE:**

You're welcome. Good morning. Good morning, Chairman Caracciolo and members of the Committee. It is always a pleasure to come and speak with you.

I'm speaking to you today on resolution number 1761 in regard to the extension of the sales tax. And I'm speaking on behalf of our over seven thousand members not necessarily in favor or against this resolution, but to speak to you about the language that was used in the Home Rule message concerning the elimination of 79% of the AME positions that would be necessary •• and I put necessary in quotes •• if there were this elimination of the 1% sales tax. I think it's ludicrous to believe that we could operate with 79% of the AME membership eliminated because of lack or inaction on this particular legislation. And I think that because this unit was the only unit that was targeted in the Home Rule message was designed to demonstrate the impact of the resolution, but it doesn't necessarily address the issue of fairness over the sales tax and with regards to tourism here on •• in Suffolk County. It's our belief that tourism and

the sales tax is the fairest way to realize money from those people visiting our County on the east end especially during the summer months. And we want to point out, too, that in contract services alone for Social Services and health services, we continue to contract. Contract agencies continue to represent over 50% of the entire budgets in both health services and social services.

We want to point out, too, that while contract agencies continue to increase, the head count for AME continues to decline as Mr. Caracciolo had just stated. We are at an all time low for budgeted positions •• for filled positions that are out of the budgeted positions in Suffolk County; and it continues to decline.

So, I stand here to tell you that we are not necessarily in •• speak in favor or against this resolution, but we speak in favor of the answer remains to Suffolk County to contract in and to fill these positions in Suffolk County and to fill them now. Thank you.

**CHAIRMAN CARACCILOLO:**

Cheryl, with regard to your statement, please make certain that you receive a copy of this memorandum that was prepared at my request for the Committee, Authorized Filled Positions. It's dated today. And it will acknowledge what you've just stated in some areas of county government.

**MS. FELICE:**

I look forward to reviewing that. Thank you.

**CHAIRMAN CARACCILOLO:**

You'll see there are more vacancies at this time this year than there were last year.

**MS. FELICE:**

We predicted that in our analysis of the 2005 budget and that has held true.

**CHAIRMAN CARACCILOLO:**

And the other memorandum that we received again at the Committee's request two weeks ago is from Allen Kovesdy. And this relates to SCIN forms. And what's of particular interest, we have heard testimony and you've been present at some of the committee meetings throughout the year where we have heard from the Budget Office how SCIN forms are being released. And

the numbers have been from a range of about 70 SCIN forms •• at one point I recall about 155. And what's interesting between January and today or the 5th of August, I should say, 309 have been released. But the operative word in Mr. Kovesdy's memo "not filled."

**MS. FELICE:**

That's a problem that we're experiencing throughout the County. You're absolutely right. It is something that we address ••

**CHAIRMAN CARACCILOLO:**

Right. It's smoke and mirrors and ••

**MS. FELICE**

We address repeatedly within the County Executive's Office. And it will be our sole focus in this particular round of budget talks as we started to identify that last year. Naturally our priority was to secure the contract. We got that behind us now. We made mention of the lack of filled positions last year in the budget process. We continue to highlight that Suffolk County throughout the County remains •• keeps their vacant positions at one of the highest out of any other municipality, over 10%, which simply isn't good budgeting. The only thing turnover savings helps is the budget. It doesn't help the operation of the County. And we're here to tell you you're in a crisis state. And we're going to work with you to demonstrate where those needs are. And I appreciate the report you just provided to me and we will make sure that we take a look at it and offer back our opinion to you. All right?

**CHAIRMAN CARACCILOLO:**

Thank you very much. I think that's important also to keep in the context of the previous speaker that was advocating the extension of sales tax. This is really where, you know, negotiations begin between both branches of government. And let me just state for the record that I have extended to the County Executive as Chair of this Committee an opportunity to do that. I'm still waiting for a reply. I will follow•up with another request. And if he chooses to ignore the Legislature and this Committee, then, we will have to respond accordingly in a responsible way, of course; but we will respond accordingly. We're not going to be ignored. Residents of this County pay a lot of money in taxes. And if we can provide them some tax relief, we will. Thank you, Cheryl.

**MS. FELICE:**

That's certainly your call. Thank you very much.

**CHAIRMAN CARACCILOLO:**

Thank you. Okay. Next speaker is Kris LaGrange.

**MR. LaGRANGE:**

Good morning. Good morning, Chairman Caracciolo. Legislator Lindsay, good morning. The leadership of the Long Island Federation of Labor has asked me to come down here today, I guess, informally, but I guess this is formally, in support of resolution 1761. I don't want to get into any numbers. I don't want to get into a fight between •• in the middle of a fight between the Legislature and Executive. It's not our role. At the AFL•CIO we have a lot of membership here we're concerned about. And any time any rumor goes around there's going to be lay offs, it concerns us whether they are affiliates with the AFL•CIO or not, economic and social allies, the members of AME are.

We ask that •• I actually offer any support that we may be able to have in dealing with the Legislature, the Executive. We do have very great relations with Suffolk County Executive Steve Levy. And our affiliates and leadership have great relationships with each and every single one of you. You've proved that over the years. And we've gotten to know each other over the years and have been able to work together. To save these jobs, to ensure that the workforce at Suffolk County is properly funded is our number one concern. And I'm not going to get into any numbers or any type of financial so and so's, but I would like to at least let you know that we are here in support of this resolution and hope that you guys can come together with the Executive and make this resolution happen. And that's all I have to say.

**CHAIRMAN CARACCILOLO:**

Thank you, Kris.

**MR. LaGRANGE:**

Thank you.

**CHAIRMAN CARACCILOLO:**

And let me assure you there won't be a fight. There may be disagreements. There may be



different approaches to problem•solving. It won't by a fight. It's something that we do •• have done historically. And I can tell you that ultimately the Legislature has prevailed. And I'm confident we will prevail going forward because again I just want to repeat a quarter of a billion dollars in county surpluses. You were probably not aware of that. Most people aren't. And when you have those kind of surpluses, to me that indicates perhaps the willingness to continue to over•tax county residents so that you can build that fund up to some level where maybe next year •• you could do what they did in the Town of Brookhaven last year; is they completely waived the General Fund tax for 2005. You know what's going to happen in 2006 and seven? Whoever the next Supervisor is, he's going to have one headache, let me tell you. Okay?

**MR. LaGRANGE:**

Well, God Bless and support him whoever that may be.

**LEG. LINDSAY:**

Mr. Chair.

**CHAIRMAN CARACCILOLO:**

Okay. Legislator Lindsay.

**LEG. LINDSAY:**

I just wanted to thank Kris for coming down to speak on behalf of the Long Island Fed. And I appreciate your comments as well as the comments of the previous speakers. We have a really good problem this year going into our crafting of the '06 budget in that we have a huge surplus. I don't know when this body's more dangerous; when we have too much money or too little money. But I guess we're going to find out. I think we are all in agreement that maybe some tax relief is in order for the citizens of Suffolk County. But balanced with the responsibility that the County provide adequate services to those citizens as well. And that's the fine line that I think we're going to walk in. And like Chairman Caracciolo pointed out, I don't think we want to pull any election year stunts or anything and do something that's irresponsible either. I think we have to look to the future on where the County's financial picture's going to be in '06 and beyond, you know. But I thank you for your comments.

**MR. LaGRANGE:**

It comforts us to know that you sit on this Committee, Legislator Lindsay. Your background

with organized labor and compromise duly provides benefit to the Suffolk County taxpayers. So, thank you very much, sir.

**CHAIRMAN CARACCILOLO:**

Are there any other speakers? Okay. Hearing none, the Budget Review Office has prepared and Mr. Kovesdy has also prepared some memoranda for the Committee. So, first I'd like Allen to come up and just briefly share with us his insights with respect to the memorandum on SCIN forms. Good morning, Allen.

**MR. KOVESDY:**

It's working I guess. It's on. I just wanted to clarify. I had sent you a memo per your request

- it's on.

**CHAIRMAN CARACCILOLO:**

A little closer, then.

**MR. KOVESDY:**

Per your request at the last meeting you asked me to get some information on SCIN forms that had been released. So, let me update you on what we found.

**CHAIRMAN CARACCILOLO:**

This is since August 5?

**MR. KOVESDY:**

Right. I have updated the information as of last Friday also for you.

**CHAIRMAN CARACCILOLO:**

Okay.

**MR. KOVESDY:**

To date there are 320 SCIN forms which have been signed by the County Executive and are able to be filled by the departments. That's as of 8/15. Also through 815 there are 517 SCINS that were signed and filled to date. So, to answer your question specifically, 517 SCIN forms

since the beginning of the year have been signed and filled. And there are another 320 which have been signed and the departments are in the process of filling as of last Friday. That's the last up to date information that we have.

**CHAIRMAN CARACCILOLO:**

Okay. Your memorandum of the 5th did not include the 517.

**MR. KOVESDY:**

No. I got that information. We did a count. Right now we're doing the budget. But I had somebody do a count.

**CHAIRMAN CARACCILOLO:**

I just want to make the record clear. I did not mention it or omit mentioning it because it was not included in your memorandum.

**MR. KOVESDY:**

No. But I'm giving you that information now, sir.

**CHAIRMAN CARACCILOLO:**

Okay. But what does that mean, 517 SCIN forms released and filled. What does that mean? We have 517 additional people on the County payroll?

**MR. KOVESDY:**

No. That means 517 positions were replaced. People who have left the positions were replaced.

**CHAIRMAN CARACCILOLO:**

Oh, okay. Let's make that clear.

**MR. KOVESDY:**

There's no way for me to tell you how many of these are new and how many of these are replacement at this particular point.

**CHAIRMAN CARACCILOLO:**

Okay. All right. Because I don't know if you have a copy and we'll certainly make available to you a copy from the Budget Review Office of one of their presentations today, which indicates by department the number of filled and vacant positions. And year over year '05 to '04, there are 86 less filled positions in the County workforce. Is that a number you would disagree with you or have no reason to dispute at this point?

**MR. KOVESDY:**

If Gail took it off the payroll runs as of that date, I'm sure she has the right information on it.

**CHAIRMAN CARACCILOLO:**

Okay. And that's really the number that counts. Okay. 86 less County personnel than a year ago. So, you know, numbers sometimes don't always tell the story. So, 517 is just replacing County employees.

**MR. KOVESDY:**

It's a combination of replace and new. It's a snapshot, yes.

**CHAIRMAN CARACCILOLO:**

Okay. But a net difference through July 31 of '86 less County employees?

**MR. KOVESDY:**

On the payroll.

**CHAIRMAN CARACCILOLO:**

On the payroll.

**MR. KOVESDY:**

Right.

**CHAIRMAN CARACCILOLO:**

Okay.

**MR. KOVESDY:**

Just so you know, I'm sure you do, sir, the report that Gail has, that payroll, it shows people being paid. So, there could be people on that payroll who no longer work for the County and

being paid. And it could be people who were hired in the preceding two weeks and have not gotten that first pay check. So, that there's a plus and minus to that. But it's a general tool that we use to get a figure.

**CHAIRMAN CARACCILO:**

Okay. Would you agree the importance of looking at these actual numbers gives all of us a better sense where we are in August, almost two-thirds of the year behind us now, a few weeks, of what turnover savings might materialize as a result of these staff levels?

**MR. KOVESDY:**

Yes.

**CHAIRMAN CARACCILO:**

Okay. And as you recall you were here when Mr. Bortzfield back in February, March into April • and then Bob decided he was too busy to come to committee meetings and sent his deputy. I appreciate you being here. But that we're looking at a projection by our Budget Review Office that has pretty much remained constant, and I'll have them, you know, add anything they'd like to that comment in a moment, compared to your projections in the Budget Office. And that's one of the problems I have with •• you know, credibility is important not only to us as elected officials, but to the people we all represent. You know, tell us like it is. Don't tell us what you want us to know or want us to believe. If we're going to •• if the year's going to end with more turnover savings than less, well, that's important especially now as we approach the presentation of the budget because the higher number should be reflected in there because now we have actual experiences that are going to demonstrate that the number's probably higher than what the Budget Office was projecting all year long.

Gail, could you just share with the Committee the memorandum you prepared?

**MS. VIZZINI:**

Sure. Each of you have a copy of a memorandum from me entitled Authorized Filled Positions. This was an endeavor to respond to some of your questions regarding the last memorandum on authorized filled positions. The highlights basically are there are 11,905 authorized positions of which in the aggregate 87% are filled. 1,535 are vacant. The last page of the memo gives you

the breakdown by department of authorized filled vacant. It's •• the percentage filled column dated 7/31/05 is where we are now; what percentage filled positions. And the last column compares to where we were approximately this time last year. We used the 8/104 payroll.

At this time last year we had •• authorized positions, we have 160 more authorized positions now than we did last year, although we have 246 more of vacant positions.

**CHAIRMAN CARACCILOLO:**

So, when you reconcile those numbers, we actually have 86 fewer in County employees?

**MS. VIZZINI:**

Yes.

**CHAIRMAN CARACCILOLO:**

That's the important number.

**MS. VIZZINI:**

The second page of the memo provides a colored graph specific to the authorized police officer positions. This is only police officer, not any higher level ranks at this point. That information will come later. The blue are the filled positions. The red is filled, but they're not on active duty. There's something else going on there. The green are the actual vacancies. At this point based on the July 31st authorized position control, we have 2,101 police officer positions of which 383 are vacant. 1,626 are filled with an additional 92 on a leave of some sort.

**CHAIRMAN CARACCILOLO:**

Gail, within the Police Department, how is the effort to civilianize the department going?

**MS. VIZZINI:**

It's a very slow process. The number of actual filled civilian positions remains fairly flat in the Police Department, although the designated number of available civilian positions has increased. But we're waiting for some ••

**CHAIRMAN CARACCILOLO:**

So, in other words, the Department has earmarked more civilian positions. But the number of actual civilians within the Department remains constant.

**MS. VIZZINI:**

At this point. Some of the obstacles with Civil Service, I think, have been surmounted. Now we just need to move in the direction of finding the qualified people, getting them on board, trained. And then the next logical step is to reassign the sworn personnel.

**CHAIRMAN CARACCILOLO:**

So, the number of civilians in the Department has not changed this year? Let me be a little bit more direct. Have we seen any trend where civilians have replaced sworn officers in the Police Department of any significant magnitude?

**MS. VIZZINI:**

Not on a filled position basis. The filled positions remain constant on or about 570 filled positions.

**CHAIRMAN CARACCILOLO:**

And the majority of those are school crossing guards of the civilians in the police department.

**MS. VIZZINI:**

That's exclusive of the school crossing guards.

**CHAIRMAN CARACCILOLO:**

So, there are •• how many school crossing guards do we have? About 300?

**MS. VIZZINI:**

Roughly.

**CHAIRMAN CARACCILOLO:**

Okay. So total we have about 800 plus civilians in the Police Department. I just want to make sure I understand these total numbers you're talking about.

**MS. VIZZINI:**

Specific to the school crossing guards.

**MR. REINHEIMER:**

School crossing guards are not paid out of the 110 funds and don't show up on the bi•weekly report. And they are not included in our numbers for filled positions.

**CHAIRMAN CARACCILOLO:**

Okay. So, in layman's language, explain to the Committee the 110 fund.

**MR. REINHEIMER:**

That's permanent salaries.

**CHAIRMAN CARACCILOLO:**

Okay. But they are included in fund 15? Is it a district ••

**MR. REINHEIMER:**

Yes, school crossing guards are in the police district fund only.

**CHAIRMAN CARACCILOLO:**

So, residents of the five west end towns only pay for school crossing guards?

**MR. REINHEIMER:**

That's correct.

**CHAIRMAN CARACCILOLO:**

Okay. So overall, the number of civilians in the Police Department replacing sworn personnel, has that changed at all this year?

**MR. REINHEIMER:**

No. It's in a pretty narrow range of around 570, which is the average of what we've had for the past couple years. This is a net average so we're not looking at individual positions or individuals. It's just a net change in positions. It's been very narrow around 570 is what they've been running.

**CHAIRMAN CARACCILOLO:**

Allen, would you tend to agree or disagree with that statement; that there have been no



significant •• any increases in civilianization of the Police Department?

**MR. KOVESDY:**

I really don't have the information in front of me to comment on that.

**CHAIRMAN CARACCILOLO:**

Could you get back to the Committee with that information?

**MR. KOVESDY:**

Yes.

**CHAIRMAN CARACCILOLO:**

Yes, Legislator O'Leary.

**LEG. O'LEARY:**

My questions are directed to BRO and the report that's in front of us. Gail, I note that under the police you indicate there's 603 vacant positions with filled positions of 3176. Of that 3176 filled positions, how many of the 3176 are civilians? I think there's •• I think it should be clear that when you see police there, that's not sworn officers. That includes civilians as well; correct?

**MS. VIZZINI:**

Are you referring •• what page are you referring to?

**CHAIRMAN CARACCILOLO:**

He's on the last page.

**LEG. O'LEARY:**

I'm on the last page, Gail.

**CHAIRMAN CARACCILOLO:**

In the Police Department.

**LEG. O'LEARY:**

Filled positions 3176, that includes civilians; does it not?

**CHAIRMAN CARACCILOLO:**

Yes.

**MS. VIZZINI:**

That's everybody, yes. Civilian and sworn. We treated the Police Department like the other departments.

**LEG. O'LEARY:**

I understand that. But looking at this someone •• some might come to the conclusion that there's 3176 police officer filled positions. That's not the case.

**MS. VIZZINI:**

No.

**LEG. O'LEARY:**

How many civilians are currently in the police?

**CHAIRMAN CARACCILOLO:**

About 570 he said.

**MS. VIZZINI:**

Well, there are roughly 570 filled civilian positions. I'd have to do a quick calculation in terms of total authorized civilian positions.

**LEG. O'LEARY:**

All right. So, if I understand this report correctly, then, of the 603 vacancies in the report, you indicate there's 177 civilian vacancies, which brings us the 603 down to 426 sworn. Of the 426 sworn, 383 PO vacancies?

**MS. VIZZINI:**

Right. And then the remainder would be SOA.

**LEG. O'LEARY:**

And that would be 143 to make up the 603. So, in other words of the 603 vacancies, 177 are civilians, 383 are police officers and 143 are ranks higher than police officer; correct?

**MS. VIZZINI:**

43.

**CHAIRMAN CARACCILO:**

43.

**LEG. O'LEARY:**

43.

**CHAIRMAN CARACCILO:**

Would you suffer an interruption, Legislator O'Leary?

**LEG. O'LEARY:**

Yes.

**CHAIRMAN CARACCILO:**

Just in terms of the Police Department, if you calculated the turnover savings if these numbers didn't change by the at the end of the year, and I know we have a class coming on next month, but we may also have some additional attrition, not much, but some; if you took that figure, what would •• I mean what kind of number in turnover savings would there be just in the Police Department?

**MS. VIZZINI:**

We're getting that for you.

**CHAIRMAN CARACCILO:**

Okay. Because I think these numbers are very important. You know, we have a budget coming up. You may see a tax increase in the police district. You may not. But built into that Police Department budget this year and every year are millions of dollars in turnover savings. So, above and beyond what you're over taxing people for in the first place, you then come back to them in the following year budget and you want to tax them some more. Great deal.

Wouldn't you like to have a check book like that?

Legislator Carpenter.

When you have the answer, let us know; okay?

Legislator Carpenter.

**LEG. CARPENTER:**

Just to continue on the police officer positions, the COPS More grant, when we accept that federal grant, we're supposed to be adding to our number of police officers; not using it to fill positions that we already have. But being so woefully understaffed, it seems that we aren't really doing that.

**MS. VIZZINI:**

Well, the graph on the second page, the colored graph, the authorized police officer positions, you see the change of October 2003 in the text box 146 police recruits were hired. 100 positions were added relative to the COPS More grant. And as you well know that money is no longer available.

**LEG. CARPENTER:**

But it kind of seems that we're adding officers, but we really aren't because we have 383 vacant police officer positions. And we can have more of a discussion on this in public safety. But were the number of retirements unusually low this year?

**MS. VIZZINI:**

No. Initially the Police Department thought that that was going to be the case. But they are now on or about the usual 100 number.

**MR. REINHEIMER:**

Yes.

**LEG. CARPENTER:**

Okay. I just wanted to have that corroborated because that was my understanding that the police kind of represented or the Commissioner represented that, you know, the retirements

were way down and we were going to be seeing, you know, an increase. But as we who have been around here a longtime know that isn't exactly what happened and we're about the same. Thank you.

**CHAIRMAN CARACCILO:**

Legislator Alden. Oh, you have the answer? Then, I'll recognize Legislator Alden.

**MR. REINHEIMER:**

In the Police Department, this includes both funds, fund 115 and the General Fund, for permanent salaries we're projecting approximately \$6 million surplus in the Police Department for permanent salaries.

**CHAIRMAN CARACCILO:**

Okay. Legislator Alden.

**MR. REINHEIMER:**

And this includes the hiring of the 120 police officers.

**CHAIRMAN CARACCILO:**

So, just before we continue, in effect the budget adopted that a total dollar amount that as we approach the last third of the year, if nothing dramatically changes, will result in a \$6 million savings in the Police Department. You can call it a savings. I think when you budget an inflated amount knowing that you're not going to do certain things, it sounds like a savings or a surplus at the end of the year but it's really not, so ••

**MS. VIZZINI:**

We would prefer to look at the whole picture which is part of our police district fund presentation. So, this is a very small piece. There were other expenditures that offset that surplus.

**MR. ZWIRN:**

Mr. Chair.

**CHAIRMAN CARACCILOLO:**

Yes. Mr. Zwirn.

**MR. ZWIRN:**

I just would add that to put it in complete perspective, the Legislature budgeted \$33 million in turnover savings in the Police Department. So not all these positions that are missing were funded positions. So, the Legislature •• it was \$4 million in the General Fund and over \$29 million in the police district fund that was salaries that were counted as turnover savings.

**CHAIRMAN CARACCILOLO:**

When you say the Legislature, Ben ••

**MR. ZWIRN:**

Well, it's the adopted budget. And the changes were made.

**CHAIRMAN CARACCILOLO:**

It's proposed by the Executive; right? It's approved by the Legislature. And the County Executive can veto any line item in that budget. So, he obviously agreed with those numbers. They were to his liking, right?

**MR. ZWIRN:**

I think there were some changes made by the Legislature to those numbers. But as the •• County Executive proposes the budget and as some wise man once told me the Legislature disposes of it. So, the one that was disposed of has those numbers in it.

**CHAIRMAN CARACCILOLO:**

So now you're saying that the 2005 County budget was the Legislature's budget?

**MR. ZWIRN:**

I'm just saying that the budget that was adopted by the Legislature has \$33 million in turnover savings.

**CHAIRMAN CARACCILOLO:**

It's semantics, Ben. It's adopted by both branches of government because the executive has veto over •• authority to override any action taken by the Legislature. He may not •• it may

not be sustained, but I'll also include that the Executive increased from sales tax revenues by 200% the amount of funds allocated to police district. 200% increase. I mean that was part of his presentation. That's a fact.

Legislator Alden.

**LEG. ALDEN:**

I just want to •• and Legislator O'Leary did most of the work on this •• but authorized positions over the last, say, three years, have slightly gone down.

**MS. VIZZINI:**

Are you on the graph?

**LEG. ALDEN:**

Yeah, on that red, blue and green.

**MS. VIZZINI:**

Right. That's only police officer positions.

**LEG. ALDEN:**

And that's where I really want to concentrate on. That doesn't included civilians; right? That's just PO's?

**MS. VIZZINI:**

Only PO's.

**LEG. ALDEN:**

Okay. So, that's gone down slightly?

**MS. VIZZINI:**

Yes, it has. Remember approximately fifty were earmarked to civilian positions. Fifty vacancies.

**LEG. ALDEN:**

But authorized positions have gone down slightly; yet the vacancies seem to have gone up each year.

**MS. VIZZINI:**

Yes. The contributing factors there are the retirements. And we have not had a police class. There's a police class scheduled for September. In September.

**LEG. ALDEN:**

But all the police class does is tread water because the net out of that is plus one or plus two police officers; is that correct? Or is that incorrect? If we hire all of them.

**MS. VIZZINI:**

That's roughly correct. Generally speaking you're going to get about 100 retirements. So, you really have to gauge the size of your class accordingly.

**LEG. ALDEN:**

The next question actually cuts between this Committee and Public Safety, but, Ben, is the administration •• obviously they must be comfortable with the number of PO's out on the street because they've been maintaining that number or actually expanding the number of vacancies over the past two years. Is that a correct statement?

**MR. ZWIRN:**

I think that the County Executive would •• I mean everybody would like to see more police all the time. The balancing act is to have enough police and be able to have the taxpayers be able to afford, you know, adequate police protection and public safety. And I think public safety is good. The numbers for crime are way down. The County Executive's Office, the District attorney's Office, the Police Department, rather, and the District Attorney's Office are doing a, I think, a terrific job. Speaking as a citizen, I mean the arrests for gangs that they've done and all the corruption cases, I mean they've really been doing a terrific job with the staff that they have. Would there be more? I think it depends on •• largely on funding and, you know, how expensive it is and how we can do it. The Chairman has suggested that the County Executive poured a lot more money of sales tax into the police district fund last year. And we've agreed on an increase this year to have available even more sales tax revenue for public safety as well. I mean so we know ••



**LEG. ALDEN:**

But that doesn't translate into more policing. That translates into more or less fulfilling our contractual obligations. According to the numbers •• because we've got a declining number of police officers. And I guess the expenses as you're just pointing out, expenses are going up. So, we need more money to pay for those expenses. Ben, the bottom line, though, is, and I wasn't talking about, you know, the end result of balancing between what you can afford and what you have. I was just asking if the administration is comfortable with the amount of police officers that we have out there. And I think what your answer is yes because crime is being controlled or ••

**MR. ZWIRN:**

Well, they're trying to civilianize. And it's taking time. Look, it's not going as fast as everybody in the administration had hoped. But the effort is going forward to try to get, you know, civilian positions and then free up more, you know, police officers to get them on the street. So, I think they're conscious of trying to get more police officers out there and trying not to break the budget at the same time. Look, public safety always comes first. And money is secondary. But when you try to •• when you have a very excellent police department, and they're doing a terrific job, and the crime statistics are going in the direction which you'd like to see them, you try to do the best you can with what you have.

**LEG. ALDEN:**

Well, what would be your guess, Ben, as far as the budget that comes over? You think they're going to reflect, you know, the fact that over 300 positions have remained unfilled so they pretty much eliminate those from the budget this time or you think they'll be budgeted in?

**MR. ZWIRN:**

That I don't know.

**LEG. ALDEN:**

What would be your guess, you think?

**MR. ZWIRN:**

I honestly can't say with respect to that.

**LEG. ALDEN:**

Because that kind of gets to the heart of what the Chairman was saying before, Legislator Caracciolo, that, you know, if we can tax people and say that we're going to have X number of police officers and then we leave 300 vacant, that's not really being transparent or honest with the folks that are paying this bill for all this.

**MR. ZWIRN:**

But with all due respect, they're not funded. I mean, so it's a misconception on the part of the public. As I mentioned, there's \$33 million in turnover savings that's built in into this budget. And that's •• you know, you can argue ••

**LEG. ALDEN:**

No, they are funded.

**MR. ZWIRN:**

No, no.

**LEG. ALDEN:**

They're in the budget.

**MR. ZWIRN:**

But, no. That doesn't mean they're funded. I mean, you could have positions in the budget that are not funded. Because turnover savings •• we used to call it salary savings in the County next door. And it's a built•in number for turnover. And so not everything that is budgeted is ••

**LEG. ALDEN:**

Okay. Let me just jump to Budget Review for a minute, though.

**MR. ZWIRN:**

Sure.

**LEG. ALDEN:**

You said that there's a projection of how much as far as turnover savings in the Police Department?

**MS. VIZZINI:**

Six million.

**LEG. ALDEN:**

Six million.

**MS. VIZZINI:**

Right.

**LEG. ALDEN:**

Where does that come from? That's budgeted money, right, for police officers that weren't hired this year?

**MR. REINHEIMER:**

That's a combination of police officers and civilians. It's just permanent salaries. But the County Executive's Office •• correct •• not all positions that are in the budget are budgeted. Not all of those 300 police officer positions were budgeted this year.

**LEG. ALDEN:**

Okay. But \$6 million of it was.

**MR. REINHEIMER:**

Well, that's includes all ••

**LEG. ALDEN:**

Between police officer and civilians.

**MR. REINHEIMER:**

•• positions. And civilians. That's police and civilians, correct.

**CHAIRMAN CARACCILOLO:**

I just want to add a footnote to that conversation that according to this chart between December '02 and July '05, the strength of uniform personnel in the Suffolk County Police Department has declined by 183 positions as Legislator O'Leary noted. Sworn personnel?

**MS. VIZZINI:**

The 1809 less the 1626, yes.

**CHAIRMAN CARACCILOLO:**

Correct. About 183. So, we have 183 fewer officers on the street in Suffolk County.

**MS. VIZZINI:**

That also excludes the red; the people who are on the payroll but are on leave.

**CHAIRMAN CARACCILOLO:**

This is oranges to oranges here.

**MS. VIZZINI:**

Yes.

**CHAIRMAN CARACCILOLO:**

Blue to blue. People on the street. Legislator Carpenter.

**LEG. CARPENTER:**

I'm going to pass. I'll come back.

**CHAIRMAN CARACCILOLO:**

Legislator O'Leary.

**LEG. O'LEARY:**

Yeah, I just wanted to clarify the red. Is that •• that's filled positions on an active duty. I'm assuming that's line of duties injuries. They're out for one reason or another or disability, et cetera?

**MR. REINHEIMER:**

Correct. It's under •• you know, we're not sure why they're not on the payroll but they're out for various reasons. And for the most part through your experience you know that a lot of them are out on disability for a short period and/or long period.

**LEG. O'LEARY:**

Yeah. I mean the vast majority of them are obviously line of duty injury. But the 92 are police officers because it's also my experience when a department gives statistics regarding line of duty that people that are out, it includes all officers.

**MR. REINHEIMER:**

No. This chart is strictly police officers. 92 is just police officers.

**LEG. O'LEARY:**

Because there are others above the rank of police officers that are out on disability as well.

**MR. REINHEIMER:**

Correct.

**LEG. O'LEARY:**

Line of duty injury.

**MR. REINHEIMER:**

And that's not included in the 92.

**LEG. O'LEARY:**

Okay. I just wanted to clarify that. The 92 is strictly police officers.

**MR. REINHEIMER:**

That's correct.

**CHAIRMAN CARACCILO:**

Mr. Zwirn, could you help the Committee understand why this civilianization effort in the Police Department is going so slow? Where are we now? 20 months into this administration's term,

this was one of their priorities. I seem to recall several press releases over that period of time touting civilianization efforts in the department. And yet we learn today that there's been no discernable difference in civilianization in the police department.

**MR. ZWIRN:**

Well, part of it is Civil Service. Part of it is just a difficult process to get civilians into what has, you know, been jobs done by police officers in the past. It's just a tough slog. And I think it's going to take a while for them to do it. And it's taken longer than they had anticipated. But they're not giving up. They're determined to make this work. It was a, you know, a high priority in their administration. And they're going to continue to work at it. It's going to take them longer than they anticipated. There's no question.

**CHAIRMAN CARACCILOLO:**

You know, knowing Steve as I know him, sat here for eight years in the County Legislature, when he puts his mind to something, he tries to accomplish that. He must be awfully frustrated by these results.

**MR. ZWIRN:**

He is. He is extremely frustrated by these results.

**CHAIRMAN CARACCILOLO:**

And what is he doing about that?

**MR. ZWIRN:**

He's just pushing forward. I mean it's all you can do. It's just not an easy •• it is not an easy process. It will bear fruit at some time.

**CHAIRMAN CARACCILOLO:**

I just want to make sure he's walking the walk and not just talking the talk.

**MR. ZWIRN:**

I mean I sound like President Bush talking about Iraq, but I think that's •• I think it is just a harder job to do than they anticipated. The County Executive has a lot of power in Suffolk

County, but not ultimate power. And it's just not as easy as everybody had hoped.

**CHAIRMAN CARACCILOLO:**

I'm just not going to accept those responses, you know.

**MR. ZWIRN:**

I'm just saying you think that he's not ••

**CHAIRMAN CARACCILOLO:**

Can we get some specifics? I mean, maybe do you need legislation to expedite this process? Are there changes in the law that have to be addressed to assist these efforts? I'm just trying to get to the bottom line here. Where are the obstacles? Be a little bit more specific. I'm sure at the staff meetings every week up there, occasionally this is the radar screen. And what are we •• if I was the County Executive, I'd certainly want to know from my staff why aren't you making any headway here?

**MR. ZWIRN:**

I'll find out the specifics and I'll get back to you right away. I don't know the particulars as to why it hasn't moved quicker.

**CHAIRMAN CARACCILOLO:**

Will you put that in writing, please, the response? Because it would be very enlightening to know why. And before I recognize Legislator Carpenter, as a former Town Supervisor in Nassau County, you're familiar with the uniform crime reports; the FBI uniform crime reports?

**MR. ZWIRN:**

Yes.

**CHAIRMAN CARACCILOLO:**

And as such, would you say that the reduction in crime in Suffolk County is unique to Suffolk County or is there a national trend underway that has resulted in crime reduction almost universally with some exceptions?

**MR. ZWIRN:**

I think that •• I think there are exceptions to that. But I have to tell you, I think that giving you both sides, I think Mayor Juliani, a Republican Mayor of New York City made a difference even though crime was going down nationally. I think he made an tremendous impact in New York City. And I think the Suffolk County Police Department is making an impact out here in Suffolk County. I think there's no question that their work, especially the arrests recently on gang members, they have been terrific at doing their job. The District Attorney, also. I think that you have a first class District Attorney and a terrific Police Department and a County Executive and a Legislature that is very supportive of their efforts. And I think that has made an impact on Suffolk County clearly.

**CHAIRMAN CARACCILOLO:**

Okay. And one of the things going forward is this reduction of sworn personnel. 183 positions. The budget presentations are about a month away. Are we going to see this trend continue where they'll be further reductions in sworn personnel?

**MR. ZWIRN:**

That I can't tell you because I can't tell you what retirement •• I can't look into the future. But I know you do have a class starting on September 12. It's the first class since 2003 going into the academy. So, there will be some fresh blood and some younger police out there running around ambitious and doing their jobs. So, that's only going to be a plus.

**CHAIRMAN CARACCILOLO:**

Okay. Legislator Carpenter.

**LEG. CARPENTER:**

Ben, thank you for your kind comments on behalf of the department. I know that, you know, all of us Legislators, and particularly those who are on the Public Safety Committee agree one hundred percent there is no finer department. There's no finer police academy. There was a comment that Legislator Alden made or a question perhaps about the County Executive and the numbers of police on the street, is he comfortable with it or do we feel there's enough. And your response that, you know, given the financial parameters connected to it, you know, we always feel we want more but can we afford it. But, again, your comment of public safety first, I think, is something we all share and keep in mind.

But I would guess that the County Executive and the Police Commissioner recognize the fact



that we do not have enough police officers on the street by the initiative that they've embarked on in taking sworn personnel or taking personnel who are in positions in headquarters be it Crime Control or Asset Forfeiture or whatever, the police academy and so forth, and putting them in sector cars, putting them on the streets throughout the police district. So, I think by nature of that very action, it kind of reinforces the fact that we know that we do not have enough sworn police officers on a regular basis, you know, in our sectors in the various precincts. So, I just wanted to make that comment. Thank you.

**MR. ZWIRN:**

I think the County Executive understands, look, there's two branches of government at work here. Both have responsibilities to the taxpayers and both fulfilling them. I think the question becomes if the Legislature believes that there is a need for more police, and, you know, I can't tell you what •• you're elected to do that by your constituents, the question will then become the funding mechanism to pay for them. And that, I think, will be •• that backs the challenge. I think on paper everybody would love to have more police everywhere just as a deterrent; just when you see police officers, you feel better. No question about it.

**LEG. CARPENTER:**

And I think that's why you see the numbers going down when, you know, there is that deterrent. There that is that avoidance that •• the avoidance of crime or criminal activity that happens when you have that police presence. It's so very important. And it's hard to quantify what didn't happen because that sector car was rolling around at two in the morning; what might have happened if it was shut down. But to your point of, this is a decision we have to make, yes, we are two co•equal branches of government. And there's no reason why we can't do this together. There's no reason why. And I think the Chairman has stated that, you know, many times over that this is a partnership and we need to do it together. And I think that as we are, you know, just beginning that budget cycle, that operating budget cycle, that certainly is the time that we need to address that; that if there's any opportunity to implement the plan that was recommended to the Public Safety Staffing Levels Task Force, that it would be during the operating budget cycle. So, hopefully you and Bob and Allen will be working, you know, with Budget Review with this Committee in seeing how we can do something about it. Thank you.

**CHAIRMAN CARACCILOLO:**

Yeah. I'm reminded, and I very much appreciate it, Legislator Lindsay's comments earlier about he wasn't certain, and I would have to agree, that when the Legislature has to deal with deficit versus surpluses or in this case surpluses versus deficits, which is better in the way it may respond. But thinking back to the \$100 million deficit that County Executive Gaffney inherited back in 1991, '92, it was very interesting that when Bob came into office how his administration immediately wanted to embrace the Legislature to solve a \$100 million surplus.

So, we have that on one hand. And then on the other hand when we see •• I mean deficit. And on the other hand when we see, you know, quarter of a billion dollars in surpluses, the Executive seemed to want to go back into that tunnel, in that vacuum and do it themselves. And it really shouldn't be that way. There should be transparency. There should be evidence to the public that both branches of government are going to work for their good and they're going to do that not beginning September 22nd or whatever that third Friday in September is, but beginning now.

So, I hope, Ben, you carry back this message; just echo my colleague's comments, Legislator Carpenter, that this Legislative committee and body is able, ready and willing to work with this administration in crafting the budget. And don't just dump it in our laps and say well, this is my plan, because you know what's going to happen, you know. The Legislature's going to form a work group. And that work group is going to modify the budget. And if history repeats itself, I remember, God rest her soul, Legislator Postal sitting here a few short years ago and reciting, Bob Gaffney said this, and the Legislature did that, and the Legislature was right. And she did that over a span of ten years. So, we have a very consistent, long positive track record when it comes to dealing with the operating budget.

This is a good segue into the next presentation by the Budget Review Office, which is, I don't want to say a collaboration with the Budget Office because I know they only met yesterday, but these are projections and budget models that are very tentative. I want to underline that they're tentative, but I think gives us somewhat of a peek of what lies ahead of us. So, Gail, if you would make that presentation.

**MS. VIZZINI:**

At the Chairman's request, the Budget Review Office was asked what kind of shape are we in in 2005; what's the good news, what's the bad news, where will that lead us to for 2006. And at your indulgence I would draw your attention to the two legal size handouts. One is specific to

the General Fund. The other, looks very similar, but it's specific to the police district fund. I'm going to walk you through it briefly. I would like to just make the brief presentation and then, if you could, hold your questions until after we get to the end.

In this case, it's all the usual suspects contribute to the necessary expenditures and the revenue. It's Medicaid, health insurance, retirement and permanent salaries with a few other things going on. As both Chairman Caracciolo and Legislator Carpenter mention, the 2006 upcoming operating budget is certainly going to be a time for policy determinations. There are a lot of things that we face. We've made some assumptions in putting together these numbers; however, not all those policy decisions are reflected in here. We do assume that there'll be a net of 100 additional positions. We do assume that there'll be a police class ••

**CHAIRMAN CARACCILOLO:**

Next year.

**MS. VIZZINI:**

•• of 100 in the middle of 2006. We tried to do a fair estimate of what the policies would be. But those as well as other policy decisions are something that both branches of government will be working on together.

The first assumption is that we stay with the quarter •• no more than the quarter cent as far as a sales tax to the police district. So this assumes that there's no change in the distribution of sales tax.

**CHAIRMAN CARACCILOLO:**

Which is pending right now.

**MS. VIZZINI:**

Correct.

**CHAIRMAN CARACCILOLO:**

Right.

**MS. VIZZINI:**

We believe that in actuality there is a likelihood, although we do not recommend it, that the General Fund property tax levy could, in fact, be less than the adopted property tax levy in 2005.

**CHAIRMAN CARACCIOLO:**

Gail, I have to interrupt you there because that's important. Why would that be the case and why would the Executive recommend that; given what the rating agencies have repeatedly cited in their analyses, that the County relies too heavily on sales tax revenues, and there's a structural imbalance in the County budget because we don't have sufficient revenues coming from property taxes?

**MS. VIZZINI:**

The answer is the next piece. The \$2.1 million decrease in property taxes would be made up of the difference between the fact that there is \$31 million less in expenditures. And \$41 million less in revenue coming in. So, you have what appears to be initially a shortfall in what's left over from 2005, the fund balance. However, we in actuality project a fund balance similar in magnitude to the adopted fund balance in 2005. If you recall, we adopted approximately 103 million. The fund balance will actually be \$12.7 million more. It is likely to be 116.5 million. Therefore, your \$10.7 million anticipated shortfall is immediately remedied by the fact that you have enough money to carry over.

Where did we come up with our 2005 projections? Well, you have •• you pick up the 12.7 with the change in the fund balance. I'm now down to number two, which is expenditures. This looks at what we're spending versus what we actually adopted in 2005. In total, because of what happened with retirement, what is happening with Medicaid, what is happening with contracted services other than Medicaid, the fact that we expect to have some left over pay•as •you•go, money and we have savings, turnover savings, plus some additional savings from the retroactive salary settlement, we believe that we will probably be spending 163 million less than we adopted.

**CHAIRMAN CARACCIOLO:**

Where are you at this point? Page two?

**MS. VIZZINI:**

Yeah, I'm on page two. However, if you don't spend, whether it be because we already paid the retirement bill in '04 and we didn't spend, or whether we're not spending relating to Medicaid, which is a big factor here, we're going to be taking in \$59.5 million less in revenue. Where does that leave us for 2006?

**MR. LIPP:**

Page three, Gail.

**MS. VIZZINI:**

We're on page three. In the aggregate, compared to 2005, we think there will be a loss of revenue of approximately \$41.7 million. 61 million is the Medicaid. There's a •• retirement is a contributing factor. Adjustments to the District Court are also a factor. And sales tax is another factor.

**CHAIRMAN CARACCILO:**

Now, we have a change of \$38.9 million in sales tax. Could you explain that?

**MR. LIPP:**

The sales tax assumption, as Gail said before, first of all is that we continue with the current distribution between the police district and the General Fund so the police district would continue with a quarter cent. In addition, we're assuming four and a half percent growth in the second half of this year. Plus we're assuming 4% growth for 2006 with an adjustment to the first quarter taking into fact that the numbers were not reflective of vendor sales in the first quarter of 2005.

**CHAIRMAN CARACCILO:**

Put that ••

**MR. LIPP:**

In English?

**CHAIRMAN CARACCILO:**

No, no. That comment in perspective. How accurate •• because one of the things that, you

know, many municipal budgeters have gotten themselves into difficulty with in the past is they will either inflate or underestimate revenues depending on what they really want to see materialize in their budget at the end of the year. That certainly was a problem going back 12, 14 years ago in this County. So, all right. How confident are you in this four and a half percent sales tax growth projection for the fourth quarter and 4% for '06? And then I'd like to hear from Allen if •• you know, what are they thinking across the street in terms of that? Because that could make a significant difference.

**MR. LIPP:**

Yes. We're pretty confident with the four and a half for the remainder of this year. You can make a case and we need to look at the data more closely as we move forward that perhaps the 4% should be adjusted down, but that's not clear yet. The bottom line is, you know, we've put a lot of time and effort into this presentation now. Sales tax is only one piece. A very important piece, but that clearly among with other things needs to be re•visited.

We did have conversations yesterday with the Budget Office. And in broad generalities, they were in agreement that basically what we're presenting here is that the General Fund under the assumptions we're talking about, like the no change in distribution of sales tax, probably doesn't have an issue. In other words, if you see a change in property tax, it's likely to be small plus or minus. And that the police district has a problem that's probably somewhere in the 15 to \$20 million range. Sales tax may be a little high. Maybe our assumptions are a little bit conservative on other issues. For instance, we have a transfer expenditure from the General Fund to the tax stabilization reserve fund that is probably a little high. I haven't gotten a chance •• we haven't gotten a chance yet to do the actual apportionment of the 2004 actual numbers to see what the discretionary fund balance is. And that determines how much we have to transfer. I think that we have a number. It's a little high. So, all in all, I think if you look at the big picture here, we're pretty close in terms of on line.

**CHAIRMAN CARACCILO:**

Okay. Three points. Who were these conversations with yesterday? Mr. Pollert?

**MS. VIZZINI:**

Mr. Lipp and I had one of our required quarterly budget model meetings with Mr. Pollert and Mr. Bortzfield.

**CHAIRMAN CARACCILOLO:**

Okay. And you're saying there is a •• at this juncture a consensus on these projections or these are BRO projections that they're ambivalent to or in disagreement with?

**MS. VIZZINI:**

The presentation today is the Budget Review Office.

**CHAIRMAN CARACCILOLO:**

I know that.

**MS. VIZZINI:**

Independent. The consensus were not specific numbers, but that ••

**CHAIRMAN CARACCILOLO:**

Well, the percentages, Gail. Was there any disagreement that perhaps ••

**MS. VIZZINI:**

Are you talking specifically to sales tax?

**CHAIRMAN CARACCILOLO:**

Yes.

**MS. VIZZINI:**

No. The Budget Office is more likely to be using a more conservative three•and•a•half.

**CHAIRMAN CARACCILOLO:**

Okay. That helps fund balances even explode more but that's another story. What has been the historical accuracy of BRO sales tax projections? Because I remember five or six years ago there was some criticisms in a weekly newspaper about that. And then, as I recall, you guys and ladies demonstrated very clearly that you were very accurate and very conservative. And you were not repeating in the ways that had transpired in the late eighties in this County. So, since let's say '95, '96, how close have you been to the projections you make at the beginning of the year with regard to sales tax?

**MS. VIZZINI:**

As you know, there are a lot of factors that enter into the sales tax projections.

**CHAIRMAN CARACCILOLO:**

Just answer the question. Have you been close, you've been off? You've been off by a lot?

**MS. VIZZINI:**

In the words of Maxine Postal, we're always right.

**CHAIRMAN CARACCILOLO:**

Okay. That's my recollection. Okay. Continue. I'm sorry. Right about the surplus despite what some people say.

**MS. VIZZINI:**

Ergo.

**CHAIRMAN CARACCILOLO:**

Yeah. One more point, though, Robert. As we look at fuel prices continuing to escalate, and some analysts are now projecting by the end of next year gasoline prices, if we get to a hundred dollars a barrel of oil, could reach \$3.50 in the United States. That's not good news for consumers. But for the County treasury, it's perhaps not bad news, because people, particularly in suburban counties have to commute using their automobiles. And that generates more sales taxes. Are you factoring in anything along those lines?

**MR. LIPP:**

Implicit in their budget forecasts for 2005 and 2006 is a 12.9% growth in utility costs. That is probably •• that actually is equal to the 2004 actual growth rate, which is the highest it's been in recent memory.

**CHAIRMAN CARACCILOLO:**

Okay. But what about revenues, what do you project in terms of ••

**MR. LIPP:**

Oh, I'm sorry in terms of sales tax revenue.



**CHAIRMAN CARACCILOLO:**

If you look at the billion plus we generate in sales tax ••

**MR. LIPP:**

Yes. We collect in excess of •• right now we've been collecting in excess of \$40 million. First of all in terms of the home heating fuel, 2 1/2%.

**CHAIRMAN CARACCILOLO:**

Okay. But how about the gasoline sales tax?

**MR. LIPP:**

The gasoline tax, I can tell you in minute. I have to look on my computer.

**CHAIRMAN CARACCILOLO:**

Gail, just continue with the presentation.

**MS. VIZZINI:**

Okay. So, as I said 2006 revenue picture is shaping up to be a little less coming in than 2005 adopted 41.7 million. Likewise, expenditures in the aggregate in the model appear to be \$31 million less. Medicaid is a big factor in that. 62 million less Medicaid, 10 million less in retirement costs. The other contributing factors are a lot smaller. Debt service is going up. We have assumed \$20 million increase in debt service. As Robert indicated, we also have assumed a \$9.1 million or more transfer to tax stabilization reserve as required. That 25% of the discretionary fund balance go to tax stabilization reserve. That's an expense. And that's basically why if it was a policy decision the 2006 property tax piece has some flexibility to it. It could either be reduced by 2.2 million or remain the same at the level of 2005 52.3 million.

**CHAIRMAN CARACCILOLO:**

Based on what rating agencies would prefer, it probably should remain the same or go higher?

**MS. VIZZINI:**

The Budget Review Office has consistently pointed out that the General Fund is really balanced

on the head of a pin. And there are many factors that enter into our most dependent revenue item which is the sales tax. So, we've always cautioned that the property tax levy is low. It's been low for several •• for five or six years. Should anything happen in the economy, the lost revenue in sales tax would have to be made up some place else.

**CHAIRMAN CARACCILOLO:**

Of the total County budget, on a percentage basis how much is attributable to the General Fund property tax? And how does that compare to Nassau County, for example? How much is the General Fund property tax in Nassau County? If you don't know, I would like the answer. It's much higher. Right, Ben?

**MR. ZWIRN:**

Absolutely.

**CHAIRMAN CARACCILOLO:**

Much higher.

**MS. VIZZINI:**

I don't know.

**CHAIRMAN CARACCILOLO:**

And, you know, just to get back to your last statement, the whole County budget is balanced on a pinhead of •• I mean that's a great statement. I mean it's one that's been ignored, ignored, and continues to be ignored. And let's get to the police district because then we have to get to the agenda. And, Robert, do you have that number?

**LEG. LINDSAY:**

Before we get off the General Fund ••

**CHAIRMAN CARACCILOLO:**

Bob, do you have the number?

**MR. LIPP:**

From gasoline we received like about •• we received 48 million last year, which is 11.8% growth rate.

**CHAIRMAN CARACCILOLO:**

How much?

**MR. LIPP:**

11.8% growth rate. 48 million as opposed to about 40 million or 41 million per the home energy portion of the sales tax. And this year it's tracking about •• close to 11%; a little less, which will give us about almost •• well, 53.4. That's not an almost •• million ••

**CHAIRMAN CARACCILOLO:**

So, the total amount of sales tax receipts from home fuel tax and gasoline taxes ••

**MR. LIPP:**

Close to a 100 ••

**CHAIRMAN CARACCILOLO:**

About 10%. Almost 10% of the total billion. Legislator Lindsay.

**LEG. LINDSAY:**

Yeah. And on that subject I just wanted to comment on your observations and Budget Review's about because of escalating fuel prices, that our revenue should increase. But there's a flip side of that. How much can this economy absorb in terms of energy costs? And, you know, it's very, very possible if this continues to rise, this economy could go into a recession very, very easily. And, you know, all the projections are out the window then.

**CHAIRMAN CARACCILOLO:**

I think that's something all of us have to be careful of and monitor. But certainly if there's any hiccup in the economy, Bill, you're absolutely right. Sales tax revenues could take a precipitous •• make a precipitous adjustment. And that could cause some serious problems going forward. But none of us has a crystal ball to know when those events might take place and what may drive them. You know, right now there's a lot of instability that's going unreported in the media in Saudi Arabia. And, you know, that's a country where we receive most of our foreign oil

imports. So, there's a lot of uncertainty in these times. That's for sure. And that's why I want to approach the budget for next year as a member of this Committee in a responsible way. I don't intend on doing anything irresponsible, but I do want to start that dialogue, Ben.

**MR. ZWIRN:**

And I appreciate being able to take this back to the •• BRO's report today back to the County Exec so they can take a look at it. And they have a very good working relationship. They've worked together for years individually.

The only thing that I would suggest that this report is also predicated on is the sales tax staying in place at the current numbers through the end of the year. And if it's not adopted, it doesn't get out to committee, it's not adopted, it expires November 30th. That means the entire month of December. And Allen says it'll be about \$20 million in revenue, will have to be affected immediately in the 2005 operating budget. And then going forward when that •• if the sales tax is eliminated or not •• whatever the number is, whatever the Legislature decides to do is going to have a major impact on •• this report will then go out the window. And it'll make it very difficult for budgeting coming forward. Because the numbers the County Executive is going to be basing his budget on •• I presume, are going to be the same numbers that the BRO based this report on.

**CHAIRMAN CARACCILOLO:**

The quarter percent, 3/8th's for public safety.

**MR. ZWIRN:**

That •• I don't know about public safety, but certainly the quarter percent still being in place.

**CHAIRMAN CARACCILOLO:**

Again, I just want to repeat what I said earlier. I don't know anybody on the horseshoe that is going to approach this in a careless or reckless manor. So, I would •• I think some of the concerns may be overstated. Legislator Carpenter •• I'm sorry. Alden; then Carpenter.

**LEG. ALDEN:**

One quick question for Budget Review. When we passed the quarter cent and it was stabilization of sewer rates or actually to pay off the bonds, also established a •• part of that money went to tax stabilization into the General Fund, part of it went into a 477 account, have

all the accounts been set up that need to track those funds sufficiently? Because the legislation required certain things to be set up.

**MS. VIZZINI:**

What could probably use the most improvement would be the water quality funds. The tracking could be a little bit better on those.

**LEG. ALDEN:**

So, has or hasn't the ••

**MS. VIZZINI:**

Not to the satisfaction of Budget Review, no.

**LEG. ALDEN:**

Okay. Ben, maybe you could just take that back to •• there's a couple of things that had to be established under that legislation. And they weren't. So, it'll make it easier for us to look and see where we are on a •• almost like a daily basis thing.

**CHAIRMAN CARACCILOLO:**

Legislator Carpenter.

**LEG. CARPENTER:**

No, that's all right.

**CHAIRMAN CARACCILOLO:**

Okay. Quickly if we can get to the police district model, Gail.

**MR. LIPP:**

Okay. For the police district, we'll make it quick. You have a three page hand•out there. What you see is assuming once again the sales tax distribution stays at a quarter cent for the police, we project the \$16.4 million property tax increase for 2006. That's made up of two pieces. On a stand alone basis just looking at 2006 without any fund balances, there is a problem of 29.8 million; that is expenditures would exceed non•property tax revenues by that amount.

However, we project a swing in fund balance of positive 13.4 million to makeup for a portion of it, which would require, therefore, only •• well, a lesser \$16.4 million increase. The \$13.4 million swing is associated with an adopted '05 negative fund balance, deficit 9.4 million; and we're projecting actually a surplus of 4 million coming into the beginning of 2006 or ending 2005. That \$4 million surplus is discussed on the second page of three. And that's made up of, number one, a starting fund balance that turns out to be the 13.4 plus projected savings and expenditures in 2005 of 58.9 million. Most of that is change in retirement costs. It's just an anomaly in the budget. We adopted expenditures originally in the budget for retirement expecting to pay in February of this year. But we decided instead to do some cost savings and spent the money instead in '04. So, that's a savings there.

Actually, also, the other big expenditure savings is in personnel costs, not only the permanent salaries but other salary lines largely due perhaps to the pushing back of 60 of the new recruits from March to September in supposedly next month; they'll be a class of 120. In addition there'll be some loss, we project, in terms of revenue once again by far and large that has to do with interfund revenue in the police district that was supposed to be received for retirement. But since we didn't spend the money in '05, we spent it in '04, we didn't need it. So, we let that stay there. So, we're not going to receive the money in 2005, but that's going to be a benefit for next year because we plan on spending that money next year.

The last page speaks to what will 2006 look like. And what we see there is, there's a 10.9 million •• well, overall there's a \$10.9 million we expect loss in terms of revenues. And in addition to that, we will see an increase from 2005 adopted of 18.9 million in expenditures. The revenue loss is mostly that we adopted more in retirement interfund revenue from the retirement fund than in 2005 even though we didn't need it •• did not need it, we adopted more than we'll actually be able to carry over into 2006.

And the big ticket expenditure increases will be, number one, personnel costs or salaries. And as we said before, we're assuming a one police class of a hundred in the middle of the year. And that's sort of a typical year. Clearly you can make an argument for more. But implicit in these numbers is that sort of increase. The end.

**CHAIRMAN CARACCILO:**

Okay. Very good. Are there any questions? Gail, in terms of the combined effect, right now just give us your best guess of what we may be looking at in terms of property taxes up or

down.

**MR. LIPP:**

Well, the \$16.4 million projected increase in the police district would be like a 36 and a half dollar increase for the average homeowner; whereas the \$2.1 million decrease in the General Fund would be a \$3.80 decrease for the average homeowner.

**CHAIRMAN CARACCILOLO:**

Okay.

**LEG. O'LEARY:**

I'm sorry, what was ••

**CHAIRMAN CARACCILOLO:**

380 in the General Fund and 3650 tax increase in the police district. Okay. Allen, Gail, did you want to ••

**MS. VIZZINI:**

Yes. The last comment that I wanted to the make was that the 2006 budget will have a uniqueness in that Medicaid is going to be computed on a new formula. I just wanted to mention to you that Budget Review released yesterday a report on the state takeover of the local share of Medicaid. It's in your mailboxes.

Also there will be a policy decision regarding retirement whether we're going to continue to pay the retirement bill in February rather than to pay it in the current year. We also are embarking on a new health insurance third party administrator. And although we have optimistic savings projections, it's still, once again, something new. And these are all in areas that are big ticket items.

**CHAIRMAN CARACCILOLO:**

Okay. Allen, did you want to say anything?

**MR. KOVESDY:**

I was just going to answer the question you had asked me. I just wanted to answer the

question you had asked me before. Robert and I speak on a weekly basis as far as the sales tax is concerned. The County Exec's Office historically tends to be a little bit more conservative owing to the fact that the Legislature has the October checks which come in which show the adjustments in it, which we don't have that particular information in at the time. And we •• the little hiccup is very •• we've very concerned with any hiccups in the sales tax because as happened in the beginning of this year when we unexpectedly had a \$12 million reduction. When these things happen, actions have to be taken to remedy these shortfalls, especially when they happen in the first quarter. So based on that the County Executive traditionally historically tends to be conservative because if there is a mistake made being overly optimistic, there's no place to make that up.

And the other point I would just like to point out, and I appreciate this whole conversation, is when we come back in October and we have the two checks for October and the adjustments, I think at that particular point you'll get more of a direct consensus between the offices as to what the sales tax will be for this year and next year. Right now it's rather early. And we •• you will see a write up in the budget on the increases in fossil fuels, how it's affecting the county light, heat and power, how it's affecting the sewer districts in the burning of garbage and so forth. And we're very concerned about what happens to that money, money being spent for autos, not being spent in restaurants and other places in the economy. So, while it's a plus on one end, we feel it's a minus some place else. So, we're going to write this up in detail so you'll have an ability to understand where the numbers come from. And we will communicate. And we do communicate every time we get a check in. And I think Robert did a pretty good job in his presentation.

**CHAIRMAN CARACCILO:**

Well, we appreciate that. Legislator Alden.

**LEG. ALDEN:**

Gail, you mentioned before just about the Medicaid. Just so we understand that, they capped what we have to pay Medicaid; right? With a slight increase each year. And then we give up some of our income, though.

**MS. VIZZINI:**

Well, what the methodology is, and it's very preliminary, is they are trying to arrive at a base in 2005 of expenditures. And so they're sorting that out. Then from that base, they •• there will



be capped expenditures on our part of three, three and a half, three quarter and then three for the next three years. That's the methodology. By 2008, we would have the option to either stay with that methodology or give them a fixed percentage of our sales tax. And we'd have to make that decision by September 2007. But at least we'll have a little historical experience in '06 and early '07 in terms of how this impacts our Medicaid expenditures.

**VICE•CHAIRPERSON CARPENTER:**

Are there any other questions? Okay. Thank you. I'm not sure •• the Chairman had to step out a second so ••

**LEG. LINDSAY:**

Can we move the agenda?

**VICE•CHAIRMAN CARPENTER:**

Well, we can start preparing to address the agenda because I know we've got another committee starting in 15 minutes. So, we will gather our papers while we wait for him to return. Thank you.

**CHAIRMAN CARACCILO:**

Lynne, would you like to come forward, please? Go ahead, please. You requested an opportunity to address the committee.

**MS. BIZZARRO:**

Thank you. Yes, I just wanted to make mention to the Committee regarding IR 1761. And I just wanted to alert you that the resolution must be approved at the next general meeting; therefore, it must be approved today in order to guaranty the continued extension of the 1% sales tax. It's going to expire November 30th of '05.

Basically we're operating under section 1210 of the tax law. And the bill must be filed with the State Tax Commission and cannot go into effect until 90 days after its passage. As the next general meeting is August 23rd, 90 days thereafter that brings you to November 23rd, there would be no gap, then, in the continuation.

The problem is the next general meeting is not until September 27th. If you wait until that

meeting, you will be forced to obtain a waiver of the 90 day filing requirement. The longer you wait, the more difficult it will be to obtain the waiver. And basically they will not give you a waiver for less than 30 days. So, the longer you wait, the worse it gets.

Basically the following steps have to be taken in order to get the waiver. First, the resolution must be approved. So, you need to have the resolution approved. Once it's approved, it has to be sent to the state with a letter requesting the waiver. If the request is made within 60 days of the effective date, there is a good chance the waiver will be granted. That looks like that will happen.

However, if the request is made under the 60 days, you will need to show exigent circumstances to obtain the waiver. And, again, the waiver cannot be for less than 30 days. And I just want you to be aware of that. I'm not in favor or against this resolution. I just need the committee to understand the time constraints it's under.

If the deadline gets missed for the December 1st continuation of this sales tax, under 1210 of the Tax Act, you have to then wait until March 1st to pass this resolution. So there will be a gap of three months in between. And if you're looking to extend, there will be a loss of revenue obviously then for those three months. So, that's the problem if the waiver is not granted. And I just wanted you to be aware of that.

**CHAIRMAN CARACCILO:**

Legislator Alden.

**LEG. ALDEN:**

You're going to stay around 'til •• through the Chair, you're going to stay around because we're not debating this right now. We're going to start on the agenda. I don't think we're taking it out of order.

**CHAIRMAN CARACCILO:**

No, but she did request an opportunity to speak.

**LEG. ALDEN:**

There's some heavy duty questions on this resolution.

**CHAIRMAN CARACCILOLO:**

Sure. Sure. So, why don't you, if you don't mind, reserve your comments on 1910 until we get to the resolution because we do want to try to stay on time and get to the agenda and get ready for Public Safety in ten minutes. So, we'll turn to today's agenda. We'll go to tabled resolutions.

**TABLED RESOLUTIONS**

**IR 1437 (amending the 2005 Operating Budget and transferring funds for project MOST)** Is there a motion?

**LEG. O'LEARY:**

Motion to approve.

**CHAIRMAN CARACCILOLO:**

Motion to approve by Legislator O'Leary, second by Legislator Losquadro. All in favor? On the motion? Yes.

**MR. ZWIRN:**

We had asked that this be tabled •• I'm just saying because it's •• I don't think the Youth •• it's a member item. The Youth Bureau doesn't have any information on this particular group. It was taken •• was it Pay•As•You•G money?

**MR. KOVESDY:**

\$3500.

**MR. ZWIRN:**

And it's a member item. It's usually Pay•As•You•Go money.

**CHAIRMAN CARACCILOLO:**

Are there any time concern issues if we tabled it one more cycle? That bring us to the end of September. So, I just want to make sure the sponsor doesn't, or his contract agency, loose out

on funding just simply because of a delay.

**MS. VIZZINI:**

Just makes it a little bit harder to enter into the contract and get it approved and spend the money before the end of the year.

**CHAIRMAN CARACCILOLO:**

It's less time before the end of the year.

**MS. VIZZINI:**

That's been the case.

**LEG. LINDSAY:**

Mr. Chairman?

**CHAIRMAN CARACCILOLO:**

Yes, Legislator Lindsay.

**LEG. LINDSAY:**

Is this an add on or is this part of this ••

**MS. VIZZINI:**

It's in addition to.

**LEG. LINDSAY:**

It's in addition to the money that was allotted?

**MR. ZWIRN:**

Yes.

**CHAIRMAN CARACCILOLO:**

I'll second the motion. Is there a motion to table?

**LEG. MONTANO:**

Motion to table.

**CHAIRMAN CARACCILOLO:**

Motion to table. I'll second the motion to table. All in favor? Opposed? Abstentions?

**LEG. O'LEARY:**

Abstain.

**CHAIRMAN CARACCILOLO:**

One abstention.

**LEG. LOSQUADRO:**

Abstain.

**LEG. CARPENTER:**

Abstain.

**CHAIRMAN CARACCILOLO:**

Three abstentions. **The resolution is tabled. (Vote: 4•0•3•0. Legislators O'Leary, Losquadro and Carpenter abstain)**

**1564 (amending the 2005 Operating Budget to transfer funds from the Department of Economic Development and Workforce Housing to the Department of Environment and Energy)** Is there a motion?

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCILOLO:**

Motion to table by Legislator O'Leary, second by Legislator Carpenter. All in favor? Opposed? Abstentions? **Unanimously tabled. (Vote: 7•0)**

**1565 (amending the 2005 Operating Budget to transfer funds from Cornell**

## **Cooperative Extension to the Department of Environment and Energy)**

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCILOLO:**

Motion to table by Legislator O'Leary, second by Legislator Losquadro. All in favor? Opposed? Abstentions? **Tabled. (Vote: 7•0)**

**1761 (extending existing one percent sales and compensating use tax for the period beginning December 1, 2005 and ending November 30, 2007 pursuant to authority of Section 1210 of Article 29 of the Tax Law of the State of New York)** Motion by Legislator O'Leary to table, second by the Chair. All in favor? Opposed?

**LEG. LINDSAY:**

Opposed.

**LEG. MONTANO:**

Opposed.

**CHAIRMAN CARACCILOLO:**

Two opposed. Abstentions? **Tabled. (1761 tabled. Vote: 7•0)**

### **TABLED SENSE RESOLUTIONS**

Sense 36. Is there a motion? Tabled Sense.

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCILOLO:**

Motion to table to Legislator O'Leary. Second by Legislator Montano?

**LEG. MONTANO:**

Yeah, I'll second it.

**CHAIRMAN CARACCILOLO:**

Okay. Thank you. All in favor? Opposed? Abstentions? Tabled. **(Sense 36 tabled. Vote: 7•0)**

## **INTRODUCTORY PRIME**

**CHAIRMAN CARACCILOLO:**

**IR 1791 (adopting Local Law No. 2005, a Local Law to extend Hotel and Motel Tax for Suffolk County and enhance collection of Hotel and Motel tax revenue)**

**LEG. O'LEARY:**

Motion to table. Public hearing is scheduled.

**CHAIRMAN CARACCILOLO:**

Okay. Second by the Chair. All in favor? Opposed? Abstentions. Tabled due to Public Hearing. **(1791 tabled. Vote: 7•0)**

**1833 (to readjust, compromise and grand refunds and charge •backs on real property correction of errors by: County Legislature • Control number 742•2005)** Motion by the Chair, second by Legislator Carpenter. All in favor? Opposed? Abstentions?

**LEG. ALDEN:**

Motion to approve and put on the consent calendar.

**CHAIRMAN CARACCILOLO:**

Approve and put on the consent calendar. Same motion, same second, same vote. Unanimous. **(1833 approved and put on consent calendar. Vote: 7•0)**

**1834 (to readjust, compromise and grand refunds and charge •backs on real property correction of errors)** Same motion, same second, same vote. **(1834 approved and put on consent calendar. Vote: 7•0)**

**1841 (accepting LIPA judgement proceeds related to utility relocation work required at Suffolk County road improvements projects)** Explanation. Counsel?

**MS. KNAPP:**

These are revenues that were received by the County in connection with a lawsuit that was instituted several years ago which the County won where LIPA was charging the relocation of their equipment when we were doing road work. That practice was unlike the previous practice from the Long Island Lighting Company. And the Court agreed with the County that LIPA can't do that.

**LEG. LINDSAY:**

We don't want to take that money.

**CHAIRMAN CARACCILOLO:**

Motion by Legislator Losquadro, second by Legislator Lindsay. All in favor? Opposed? Abstentions? Unanimous. **(1841 approved. Vote: 7•0)**

**1842 (amending the 2005 Operating Budget and appropriating funds in connection with bonding a settlement for a medical malpractice case)**

**LEG. O'LEARY:**

Motion to approve.

**CHAIRMAN CARACCILOLO:**

Motion by Legislator O'Leary, second by Legislator Carpenter.

**LEG. ALDEN:**

On the motion.

**CHAIRMAN CARACCILOLO:**

On the motion.

**LEG. ALDEN:**

Yes.



**CHAIRMAN CARACCILO:**

On the motion, Legislator Alden first.

**LEG. ALDEN:**

How bad are we •• I know this is only one piece of a couple of settlements we had to make, but where are we as far as with those settlements? How much more outstanding as far as liability on the County's part?

**MS. BIZZARRO:**

You mean for the rest of the year?

**LEG. ALDEN:**

Does this wrap it up?

**MS. BIZZARRO:**

For the balance of the year?

**LEG. ALDEN:**

No, no, because this should be multi•year planning. If we're going to go and bond a settlement, you know, we really should have established reserve accounts and acted like an insurance company but we don't do that. We self•insure and then get killed every now and then. But where are we?

**MS. BIZZARRO:**

This was •• this was just one particular case that was approved by Ways and Means executive session; executive committee. It was just one of the several medical malpractice cases that are out there.

**LEG. ALDEN:**

Much liability do we have outstanding? After we approve this, how much more liability do we have outstanding?

**CHAIRMAN CARACCILOLO:**

Exposure?

**MS. BIZZARRO:**

Exposure in terms of other cases, you mean?

**LEG. ALDEN:**

Right.

**CHAIRMAN CARACCILOLO:**

Right.

**MS. BIZZARRO:**

Oh, in terms of a number, say, for the balance of the year? That's what I'm trying to figure out what you're asking.

**CHAIRMAN CARACCILOLO:**

Yeah, for the balance of the year.

**MS. BIZZARRO:**

For the balance of the year? I would have really •• I can take a look at that. I mean and I can see ••

**CHAIRMAN CARACCILOLO:**

How much do we have budgeted in claims and settlements? That's a budget line.

**MS. BIZZARRO:**

Pretty much nothing in terms of the medical malpractice actions. And that's why they do the bonding for it. Claims and settlements would be, say, the slip and falls, car accidents, things of that nature.

**LEG. ALDEN:**

In other words, Ben, maybe this is a message that, you know, if we're going to act as an insurance company, then, we should act as an insurance company. And we should put some reserves in there for things like this because this is going to be very expensive. And I know there was •• as of last year there was a number of other, you know, multi•million dollars worth of liability that was out there that we were just waiting for the course of, you know, the lawsuits to wind their way through the courts and just end up falling on us. If all of it falls on us at the same time, it's tens of million of dollars.

**MR. ZWIRN:**

I think that's •• it's a good idea. And I think they are •• it's under consideration in next year's budget. And I'll certainly bring it back.

**CHAIRMAN CARACCILO:**

Legislator Montano.

**LEG. MONTANO:**

Yeah. Along the same lines, do we generally bond these settlements?

**MS. BIZZARRO:**

For the medical malpractice cases, yes. Unless they're for a small sum of money.

**LEG. MONTANO:**

Okay. And we don't have any reserve for that?

**MS. BIZZARRO:**

Yeah, you know, I don't exactly know what they do in risk management in terms of putting reserves. I know that there may be some numbers out there, but in terms of having a pot of money, no, there is not.

**CHAIRMAN CARACCILO:**

Legislator Losquadro.

**LEG. MONTANO:**

Thank you.

**LEG. LOSQUADRO:**

Thank you. And just on the same theme, this is precisely the sort of situation that I was discussing when discussing county vehicles and the use of personal vehicles by County employees on County time. Having worked in the insurance field, I understand the type of liability exposure that we open ourselves to. And being self-insured the way that we are and not having any of these reserves, not only do we open ourselves up to the liability, but also to the increased cost of bonding them out and having to pay the interest on these settlements. So, again, I'm glad it's something that we're looking into.

**CHAIRMAN CARACCILOLO:**

Okay. All in favor? Opposed? Unanimous. **(1842 approved. Vote: 7•0)**

**1888 (to readjust, compromise and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature number 219.)**

**LEG. O'LEARY:**

Motion to approve and place on the consent calendar.

**CHAIRMAN CARACCILOLO:**

Motion by Legislator O'Leary, second by Legislator Montano to approve and place on the consent calendar. All in favor? Opposed? Abstentions? Unanimous. **(1888 Approved and placed on consent calendar. Vote: 7•0)**

**1909 (electing an exemption from sales and compensating use taxes for receipts from retail sales of and consideration given or contracted to be given for solar energy systems equipment.)**

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCILOLO:**

Motion to table by Legislator O'Leary, second by Legislator Carpenter. All in favor? Opposed? Abstentions?

**LEG. LINDSAY:**

Opposed.

**LEG. MONTANO:**

Opposed.

**CHAIRMAN CARACCILOLO:**

Two opposed. Approved and tabled. **(1909 Tabled. Vote: 7•0)**

**1910 (to promote clean energy use in Suffolk County by providing a sales tax exemption for solar energy devices)** It's your floor.

**LEG. O'LEARY:**

Approve to table.

**CHAIRMAN CARACCILOLO:**

Approve to table. Laura? No, no, no. The County Attorney wanted to speak on 1910 as well. Yes?

**MS. BIZZARRO:**

Yes. Again, we're falling under 1210 of the tax law. And it allows this type of exemption to be effective September 1, which is what the bill says. But it requires that a certified copy of the bill be filed with the state 90 days before the bill's effective date unless a waiver is granted. But, again, there cannot be a waiver granted for under the 60 days. So, as the earliest date this bill can be voted on is August 23rd with an effective date of September 1st, there's a problem here unless there is a waiver that I'm not aware of. But in light of the fact that you have to get the resolution approved first in order to get the waiver, I would say I don't think there's a waiver there. So, it causes a problem with this bill.

**CHAIRMAN CARACCILOLO:**

Okay. First, did you want to clarify why this is a 60•day time frame versus 30 days with respect to waiver? You said 60.

**MS. BIZZARRO:**

No. It's 90. It needs to be filed 90 days ••

**CHAIRMAN CARACCILOLO:**

90. We know that.

**MS. BIZZARRO:**

And •• well, the statute specifically dictates that the waiver can't be for less than 60 days. So in light of the fact that the general meeting is not until August 23rd and the effective date of the bill would be September 1st, that's not 30 days. So, you couldn't get a waiver for this in any event.

**CHAIRMAN CARACCILOLO:**

Excuse me. One minute. One minute I'm going to recognize other members in a moment. Counsel, can you just summarize the provisions of this resolution? It's different from the other; significantly. But this imply a sales tax exemption.

**MS. VIZZINI:**

Yes.

**CHAIRMAN CARACCILOLO:**

Okay. As opposed to extending a sales tax, number one. Then beyond that, what would be accomplished with the passage of this resolution?

**MS. KNAPP:**

Both resolutions seek to allow an exemption from sales tax on solar equipment pursuant to a change in state law that was announced very recently by Governor Patacki.

**CHAIRMAN CARACCILOLO:**

Okay.

**LEG. MONTANO:**

Question.

**CHAIRMAN CARACCILOLO:**

Legislator Montano and then Legislator Losquadro.

**LEG. MONTANO:**

Either County Attorney or Legislative Counsel, can you just explain the ••

**CHAIRMAN CARACCILOLO:**

Use the microphone, Rick.

**LEG. MONTANO:**

Sorry. Either to County Attorney's Office or our Counsel here, can someone just explain to me the substantive differences between 1909 and 1910?

**MS. BIZZARRO:**

I think it's the effective date. That's the only difference.

**LEG. MONTANO:**

That's the only change?

**MS. BIZZARRO:**

Right.

**MS. KNAPP:**

And I would point out two small errors in 1909. The section of the state laws is referred to as EE in capital letters. There is no EE in capital letters. It is lower case. And the resolution lacks several words between two resolve clauses. Since we're being picky.

**MS. BIZZARRO:**

It's just that •• I mean picky •• but the effective date is very important in terms of getting these passed.

**CHAIRMAN CARACCILOLO:**

Did you want to speak?

**LEG. LOSQUADRO:**

Yes.

**CHAIRMAN CARACCILO:**

Legislator Losquadro.

**LEG. LOSQUADRO:**

I just wanted to clarify, you said before you were going back and forth between two time frames, 30 days and 60 days. Which ••

**MS. BIZZARRO:**

Well, it's 90 days. If you make ••

**LEG. LOSQUADRO:**

No, I understand that. But then you said a waiver couldn't be granted less than 60 days. But then you said 30 days; then you went back to 60 days, then went back to 30 days. So, which one is it? 30 or 60?

**MS. BIZZARRO:**

Okay. What I said was if it's in the 60•day range, it looks like ••

**LEG. LOSQUADRO:**

No, you didn't say 60•day range. You said 60 days; then you said 30 days. So, which one is it?

**MS. BIZZARRO:**

It can't be less than 30 days. You cannot get a waiver for under 30 days, right. Okay.

**LEG. LOSQUADRO:**

Thank you.

**LEG. LINDSAY:**

Well, being that both bills are very similar, I mean, this is really a benefit to our taxpayers and to the environment. I would like to see the two bills married in the course of good government just to move forward with this. I mean the state approved the program. It's up to us to jump



on it, you know. It would be really foolish if we can't move forward with this in a united front as Suffolk County.

**CHAIRMAN CARACCILOLO:**

Okay. I'm going to recognize the sponsor so she can perhaps respond to that.

**LEG. CARPENTER:**

Thank you. Yeah, I agree with Legislator Lindsay. This is something that we should get on right away and precisely why when the Governor did announce that •• in fact, it was two weeks ago today that they had the press conference or we learned of the press conference. And just to remind everyone back in November I sponsored a Sense resolution that many of you co•sponsored asking the state to do just this. So we really kind of started the ball rolling. The gentleman who's in the field had come before the Legislature. He happens to live in my legislative district and had contacted me about this and asked if I could help move this initiative. And it was one of the things that, I guess, caught the attention at the right time. And they did move forward with it.

It was at this meeting that I announced that I was going to be •• or that I had already started or directed Counsel to prepare the resolution inviting everyone to join and co•sponsor it. And it was later in the day that the County Executive's representative told me that the County Executive was going to be doing just the same thing. You can imagine how surprised I was to find out that no one had contacted anyone at the Legislature because this was something that we initiated here. I said to, Ben, you know, I would assume, then, that the County Executive would be withdrawing his resolution and invited him to co•sponsor. But to this date no one ever communicated with me.

So, I would very much like to move forward with this resolution. If we need to make any adjustments to it, I certainly would entertain doing that before we meet on Tuesday. But for now I think it's important that we move it forward as Legislator Lindsay said.

**CHAIRMAN CARACCILOLO:**

Okay. So, we have a motion and a second. All in favor? Opposed? Approved unanimously.  
**(1910 approved. Vote: 7•0)**

**1917 (to readjust, compromise and grant refunds and charge•backs on real property correction of errors by: County Legislature control number 739•2005) Motion by the Chair, second by Legislator Alden. All in favor? Opposed? Abstentions?**

**LEG. ALDEN:**

Approve and consent.

**CHAIRMAN CARACCILOLO:**

Approve and consent, 1917. That's the motion. All in favor? Opposed? Abstentions?

Approved. Consent calendar. **(1917 approved and placed on consent calendar. Vote: 7•0)**

**1921 (Tax Anticipation Note Resolution number 2005, resolution delegating to the County Comptroller the powers to authorize the issuance of not to exceed \$75,000,000 Tax Anticipation Notes of the County of Suffolk, New York in anticipation of the collection of taxes levied for County purposes or returned to the County for collection for the fiscal years commencing January 1, 2002, 2003, 2004 and 2005; and to prescribe the terms, form and contents and provide for the sale and credit enhancement of such notes)**

**LEG. LINDSAY:**

Motion.

**CHAIRMAN CARACCILOLO:**

Motion by Legislator Lindsay, second by Legislator Losquadro. All in favor? Opposed? Abstentions? **(1921) approved unanimously. (Vote: 7•0)**

**1939 (adopting local law number 2005; a Charter Law to amend the Suffolk County Charter to provide for on•going public disclosure of operating budget status) is pending a public hearing. So, I'll make a motion to table.**

**LEG. CARPENTER:**

Second.

**CHAIRMAN CARACCILOLO:**

Second by Legislator Carpenter. All in favor? Opposed? Abstentions? **(1939 Tabled. Vote: 7•0)**

### **SENSE RESOLUTIONS**

And that brings us to Sense Resolution 56. **(Sense of the Legislature resolution requesting the United States Congress to adjust the formula for calculating Medicare reimbursement rates for Suffolk County)** And we have a motion by Legislator Alden, second by the Legislator Lindsay. All in favor? Opposed? Abstentions? **(Sense 56)**  
**Approved. (Vote: 7•0)**

That concludes the business before the Committee. The Committee stands adjourned.

**(THE MEETING CONCLUDED AT 11:41 AM)**